

NEW SECTION

WAC 230-05-016 Exceeding license class. (1) Licensees must not exceed the gross gambling receipts limits for their license class during any annual license period.

(2) Licensees must apply a projection of year-to-date receipts to the remaining period of their license and, if it indicates that it is reasonably likely that they may exceed their license, they must immediately:

(a) Apply for a license that authorizes the anticipated level of gross gambling receipts; and

(b) Submit the fee required for the new license, minus the amount originally submitted for the previous license, plus a change of classification fee.

(3) If we issue a license upgrade, it is valid only for the remainder of the original term of the license.

(4) Licensees may exceed license class limits once, by the amount shown in the fees table, without having to upgrade or pay the penalties as long as they upgrade to the higher license class the next time they renew their license.

NEW SECTION

WAC 230-05-017 Failing to apply for license class upgrade. (1) If licensees fail to apply for a license class upgrade and exceed the license class limit within a present or previous license year, we assess an additional fee. We charge an additional fee of up to fifty percent of the difference between the fee for the present license class and the new license class, or one thousand dollars, whichever is less.

(2) Licensees must pay any required license class upgrade fee, plus any additional fee required by subsection (1) of this section, within thirty days of our notification.

(3) Failure to pay the fees may result in an immediate summary suspension of all licenses.

NEW SECTION

WAC 230-05-018 Partial refund of license fees if gambling receipts limit not met. (1) Licensees may apply for a partial refund of their license fee when their annual gross gambling receipts are less than the minimum for the class of license we issued to them.

(2) Licensees may receive a refund for the difference between the fees actually paid and the fees that would normally apply to the level of gross gambling receipts actually received during the period less our processing costs.

(3) Licensees may make their request for refund after the end of any annual license period and before the end of the next annual license period.

NEW SECTION

WAC 230-05-101 Implementation of new permit and license fees.

WAC 230-05-102 through 230-05-175 apply to all:

- (1) Permits or license years ending on or after June 30, 2018;
- (2) Permits or licenses issued on or after July 1, 2018; and
- (3) Other fees assessed in this chapter on or after July 1, 2018.

NEW SECTION

WAC 230-05-104 Defining "base license fee." (1) "Base license fee" is the fee you pay us when you:

- (a) Apply for an organization license or permit; or
- (b) Renew your organization's license or annual permit.

(2) "Base license fee" is the minimum annual license fee a licensed organization or permit holder will pay for operating an authorized activity.

NEW SECTION

WAC 230-05-106 Defining "maximum annual license fee." "Maximum annual license fee" is the most you will pay to operate an authorized activity for the license year, which includes the:

- (1) Base license fee; and
- (2) Quarterly license fees.

NEW SECTION

WAC 230-05-108 Defining "quarterly license fees." "Quarterly license fees" means the licensee's gross gambling receipts from the previous quarter multiplied by the gross gambling receipts rate.

NEW SECTION

WAC 230-05-110 Defining "gross gambling receipts rate." "Gross gambling receipts rate" is the rate listed in this chapter that licensees use to calculate their quarterly license fees.

NEW SECTION

WAC 230-05-112 Defining "gross gambling receipts." (1) "Gross gambling receipts" means the amount due to any operator of an authorized activity as described in subsection (5) of this section.

(2) The amounts must be stated in U.S. currency.

(3) The value must be before any deductions for prizes or other expenses, such as over/short.

(4) "Gross gambling receipts" does not include fees from players to enter player-supported jackpots. However, any portion of wagers deducted for any purpose other than increasing current prizes or repayment of amounts used to seed prizes are "gross gambling receipts."

(5) Gross gambling receipts for authorized activities:

Activity:	Gross gambling receipts include amounts due to any operator for:
(a) Punch board and pull-tab	Purchasing chances to play.
(b) Raffles and enhanced raffles	Purchasing chances to enter.
(c) Bingo	Fees or purchase of cards to participate.
(d) Amusement games	Amounts paid to play amusement games.
(e) Card games	<ul style="list-style-type: none">• "Net win" from house-banked card games;• Tournament entry fees;• Administrative fees from player-supported jackpots;• Fees to participate in nonhouse-banked card games.

Activity:	Gross gambling receipts include amounts due to any operator for:
(f) Manufacturers and distributors	<p>(i) Fees from sales, rentals, leases, royalties, and service fees collected for the following gambling equipment in Washington to include, but not limited to:</p> <ul style="list-style-type: none"> • Punch boards and pull-tabs; • Devices for dispensing pull-tabs; • Electronic devices for conducting, facilitating or accounting for the results of gambling activities; • Cards; • Dice; • Gambling chips; • Cash exchange terminals; • Progressive meters; • Gambling software; • License agreements; • Card shuffling devices; • Graphical game layouts for table games; • Ace finders or no-peek devices; • Roulette wheels; • Keno equipment; • Tables manufactured exclusively for gambling purposes; • Bet totalizers; • Electronic devices for reading or displaying outcomes of gambling activities; • Tribal lottery systems and components thereof. <p>(ii) Fees from the service, repair and modification of gambling equipment in Washington to include, but not limited to:</p> <ul style="list-style-type: none"> • Charges for labor and parts for repairing gambling equipment; • Service fees related to gambling operations; • Training or set-up fees; • Maintenance contract fees related to gambling equipment and operations.

Activity:	Gross gambling receipts include amounts due to any operator for:
(g) Gambling service suppliers	Fees from gambling-related services provided in or to be used in Washington to include, but not limited to: <ul style="list-style-type: none"> • Consulting, advisory or management services related to gambling; • Interest from financing the purchase or lease of gambling equipment, infrastructure or facilities or equipment that supports gambling operations; • Acting as a lending agent, loan services or placement agent; • Assembly of components for gambling equipment to be used under a contract with a licensed manufacturer; • Ongoing financial arrangements for gambling related software with a licensed manufacturer; • Installing, integrating, maintaining, or servicing digital surveillance systems that allow direct access to the operating system; • Training individuals to conduct authorized gambling activities; • Performing testing and certification of tribal lottery systems in meeting requirements specified in the tribal-state compacts; • Providing nonmanagement related recordkeeping or storage services for punch board and pull-tab operators; • Ownership of proprietary games or equipment.
(h) Punch board/pull-tab service businesses	Providing nonmanagement related recordkeeping or storage services for punch board and pull-tab operators.
(i) Fund-raising event distributors	Fees from contracts to organize and conduct recreational gaming activities.
(j) Fund-raising events and agricultural fairs	Fees received from the operation of bingo, amusement games, raffles, lotteries, contests of chance, and/or net win from table games operated at a fund-raising event.

NEW SECTION

WAC 230-05-114 Defining "net win." "Net win" means gross wagers received from gambling activities or fund-raising events minus the:

(1) Amount paid to players for winning wagers; and

- (2) Accrual of prizes for progressive jackpot contests; and
- (3) Repayment of amounts used to seed guaranteed progressive jackpot prizes.

NEW SECTION

WAC 230-05-116 Defining "quarterly license report." "Quarterly license report" means the report:

- (1) Filed by each licensed organization, annual permit holder and fund-raising event licensee thirty days after the end of each quarter; and
- (2) Which includes the licensee's gross gambling receipts from the previous quarter multiplied by the gross gambling receipts rate to calculate the quarterly license fee due to the commission.

NEW SECTION

WAC 230-05-120 Paying annual license fee. (1) All licensed organizations will pay annual license fees in up to five payments. The annual license fee includes:

- (a) A base license fee paid with your:
 - (i) Initial application for a new license or permit; or
 - (ii) License renewal or annual permit application; and
 - (b) Quarterly license fees based on the gross gambling receipts reported on your quarterly license report.
- (2) Licensed organizations starting a new activity will begin paying quarterly license fees on that activity upon completion of the first quarter, whether a partial or full quarter, after your license or annual permit was issued.
- (3) Individual licensees will pay an annual license fee with their initial application or license renewal application.

NEW SECTION

WAC 230-05-122 Calculating quarterly license fees. (1) The quarterly license fee is calculated based on the gross gambling receipts from the previous quarter as reported on your quarterly license report.

- (2) Each license year, the quarterly license fees will be offset by the base license fee. (For example, if your base license fee is sixty-five dollars and your quarterly license fee is forty-five dollars for the first quarter, no additional amount is due for the first quarter. You would offset any future quarterly license fees by the remaining twenty dollars of your base license fee.)

NEW SECTION

WAC 230-05-124 Quarterly license fees and license reports. All licensed organizations must submit quarterly license fees and license reports to us for each licensed gambling activity beginning with the first quarter of their license year. The quarterly license fee is due with the quarterly license report.

The quarterly license reports must be in the format we require and must:

(1)

Cover the period:	Be received by us no later than:
January 1 through March 31	April 30
April 1 through June 30	July 30
July 1 through September 30	October 30
October 1 through December 31	January 30

(2) Be received online at our administrative office or postmarked no later than the dates indicated in the table in subsection (1) of this section; and

(3) Be submitted even if there is no quarterly license fee payable to us; and

(4) Be accurate; and

(5) Be completed by the highest ranking executive officer or a designee. If someone other than the licensee or an employee prepares the report, the preparer must include his or her name and business telephone number on the report; and

(6) Be submitted for any period of time the license was valid, even if there was no gambling activity or the gambling license was not renewed.

NEW SECTION

WAC 230-05-126 Online filing and payments required with waivers available upon request for good cause. (1) All licensees must submit the following online:

(a) Renewal application and base license fees; and

(b) Quarterly license fees; and

(c) Quarterly license reports.

(2) We may waive these requirements if a licensed organization can show good cause. The reasons for good cause include:

(a) You do not have access to the internet using your own computer or similar equipment; or

(b) You do not have a bank account; or

(c) Your bank is unable to send electronic fund transactions; or

(d) Some other circumstance or condition exists that, in our judgment, prevents you from submitting online.

(3) We may waive these requirements if a licensed individual can show good cause. The reasons for good cause include:

(a) You do not have access to the internet using your own computer or similar equipment; or

(b) You do not have a bank account or credit card; or

(c) Your bank is unable to send electronic fund transactions; or
(d) Some other circumstance or condition exists that, in our judgment, prevents you from submitting online.

(4) You must request a waiver when applying for a new license or permit.

(5) A waiver will cover all fees and reports required under subsection (1) of this section.

NEW SECTION

WAC 230-05-128 Renew your license in a timely manner. (1) You must renew online, unless you have received a waiver as outlined in this chapter and allow enough time to:

(a) Print the license prior to midnight before the license expires; or

(b) Have us print the license and mail it to you so you receive it before your license expires.

(2) If you have a waiver and are not renewing your license online, you must ensure a properly completed renewal application and all applicable license fees are received at our administrative office in Lacey at least fifteen days before the expiration date on the license.

(3) If you do not submit a properly completed renewal application and all fees and your license expires, you must immediately stop the gambling activity covered by your license.

(4) If your license expires, you must submit an application and you must not operate any gambling activity until a new license is issued.

NEW SECTION

WAC 230-05-132 Late filing of quarterly license reports or late payment of quarterly license fees—Penalties. (1) Licensees who do not file their quarterly license reports and/or pay quarterly license fees within thirty days from the end of each quarter are in violation of this chapter.

(2) Licensees will be afforded one thirty-day late filing and payment period after their quarterly license reports and quarterly license fees are due. However, a twenty-five dollar fee will be charged for each day a licensee fails to file a quarterly license report or pay quarterly license fees during the thirty-day late filing and payment period.

(3) A licensee's failure to file quarterly license reports or pay quarterly license fees during the thirty-day late filing and payment period could result in administrative action against your licenses.

(4) Licensees will be responsible for paying any outstanding license fees including, but not limited to, late fees and any additional costs associated with the collection of these fees before a license suspension is lifted or a new licensing application is approved.

NEW SECTION

WAC 230-05-134 Amending quarterly license reports and changes to quarterly license fees paid. (1) You must amend any previously submitted quarterly license reports immediately upon discovering a discrepancy in reporting your gross gambling receipts or quarterly license fees paid.

(2) Any additional quarterly license fees due as a result of an amended quarterly license report will be due immediately upon filing your amended quarterly license report. You may face administrative action against your license for failing to accurately report. If you overpaid your quarterly license fees, you may receive a refund after we deduct our processing costs.

(3) You must submit amended quarterly license reports and any related payments to us online unless you have a waiver.

NEW SECTION

WAC 230-05-136 Prorating or refunding fees. (1) We may prorate organization license fees when we adjust expiration dates to schedule our workload.

(2) We may adjust expiration dates to end on the same day for organizations licensed for more than one activity. Whenever we adjust license expiration dates under this provision, we may prorate the required fees.

(3) We will not prorate or refund fees when:

- (a) You discontinue your gambling activities; or
- (b) You voluntarily surrender your license or permit; or
- (c) We suspend or revoke your license.

(4) We keep a portion of your application or license fees for processing costs when:

- (a) We deny or administratively close your application; or
- (b) You withdraw your application; or
- (c) You overpaid us; or
- (d) We received duplicate license fees.

NEW SECTION

WAC 230-05-138 Returned payments. (1) If your bank returns your payment to us for any reason, you must:

(a) Pay us in full, by certified check, money order, or cash, within five days of notification; and

(b) Reimburse our processing costs which would include, but not be limited to, time spent notifying you and seeking payment.

(2) If you fail to pay within five days of notification:

- (a) We will administratively close your application; or
- (b) Your license expires and all gambling activity must stop.

(3) If we administratively close your application or your license expires, you must give us a new application with fees paid by certi-

fied check, money order, or cash in order to be considered for a license.

NEW SECTION

WAC 230-05-140 Outstanding fees. (1) You must pay all outstanding fees assessed and owed if you:

- (a) Stop operating the gambling activity; or
- (b) Close your business; or
- (c) Surrender your license; or
- (d) Do not renew your license; or
- (e) Your license is revoked.

(2) If you do not pay, we may take action against other licenses you hold or refer the debt to collections, or both.

(3) Licensees will be responsible for paying any outstanding license fees, including late fees, and any additional licensing or processing costs associated with the collection of these fees before a licensing suspension is lifted or any new licensing application is approved.

NEW SECTION

WAC 230-05-142 Fees for review of gambling equipment, supplies, services, or games. (1) You must submit gambling equipment, supplies, services, or games for our review.

(2) You must pay the application deposit before we perform the review.

(3) You must also reimburse us for any additional costs of the review.

NEW SECTION

WAC 230-05-160 Charitable or nonprofit organization fees. Bona fide charitable and nonprofit organizations must pay the following fees:

- (1) Annual licenses:

License Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
Amusement games	\$65 plus \$65 per approved location	0.730%	\$1,000
Bingo	\$65	0.460%	\$11,000
Card games - House-banked	\$10,000	1.462%	\$40,000
Card games - Nonhouse-banked	\$65	0.430%	\$1,000
Combination	\$125	-	-

License Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
Fund-raising equipment distributor	\$270	1.430%	\$700
Punch board/pull-tabs	\$650	1.430%	\$10,000
Raffles	\$65	3.380%	\$2,000
Enhanced raffles	\$5,000	0.430%	\$32,000

(2) Event licenses or permits:

License Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
Fund-raising event	\$180	3.130%	\$1,000
Recreational gaming activity	\$65	-	-
Special property bingo/ change of bingo premises	\$30	-	-

(3) Change fees:

Change of:	Fee
Name	\$100
Location	\$100
Fund-raising event location, date, or time	\$50

(4) Other fees:

Transaction	Fee
Add a new amusement game location	\$65
Duplicate license	\$50
Review, inspection, and/or evaluation of gambling equipment, supplies, services, games, or schemes	Deposit and cost reimbursement

NEW SECTION

WAC 230-05-165 Commercial stimulant organization fees. All commercial stimulant organizations must pay the following fees:

(1) Annual licenses:

License Type	Base License Fee	Gross Gambling Receipts Rate	Maximum Annual License Fee
Card games - Nonhouse-banked	\$65	1.462%	\$20,000
Card games - House-banked	\$10,000	1.462%	\$40,000
Punch boards/pull-tabs	\$700	1.430%	\$13,000

(2) Change fees:

Change of:	Fee
Name	\$100
Location	\$100

Change of:	Fee
Business classification (same owners)	\$100
Corporate stock/limited liability company shares/ units	\$100
License transfers	\$100

(3) Other fees:

Transaction	Fee
Duplicate License	\$50